OFFICE OF THE COMPTROLLER GENERAL

MINISTERIAL ACCOUNTABILITY REPORT

2007 ◆ 2008

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Ministerial Accountability Report

For the Fiscal Year Ended
March 31, 2008

2007/2008

Ministry of Finance
Office of the Comptroller General

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July 17, 2008
Victoria, British Columbia

Lieutenant Governor of the Province of British Columbia

MAY IT PLEASE YOUR HONOUR:

The undersigned has the honour to present the Ministerial Accountability Report for 2007/08. This is the sixth annual report required under the *Balanced Budget and Ministerial Accountability Act*.

COLIN HANSEN
Minister of Finance

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July 17, 2008
Victoria, British Columbia

Honourable COLIN HANSEN
Minister of Finance

As required under Section 6(2) of the *Balanced Budget and Ministerial Accountability Act*, I present the following information:

- Collective responsibilities—for members of the Executive Council, a comparison of the expected and actual financial results based on the audited Summary Financial Statements;
- Individual responsibilities—for members of the Executive Council responsible for operating expenses, a comparison of expected and actual spending results based on the Consolidated Revenue Fund Schedule of Comparison of Estimated Expenses to Actual Expenses;
- For members of the Executive Council without operating expense responsibility, specifically, Ministers of State, and for the Minister of Small Business and Revenue—a list of expected and actual results as described for the member; and
- A statement of salary holdback repayable based on the foregoing.

Respectfully submitted,

CHERYL WENEZENKI-YOLLAND
Comptroller General

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Ministerial Accountability for the Fiscal Year Ended March 31, 2008

The *Balanced Budget and Ministerial Accountability Act* (BBMAA) holds ministers responsible, individually and collectively, for ensuring ministries operate within their budgets, government meets its overall financial commitment, and the Ministers of State and Minister of Small Business and Revenue meet their targets. The BBMAA ties ministers' salaries directly to financial and non–financial targets. The Ministerial Accountability Report communicates the results.

The BBMAA requires that a comparison of expected and actual performance results be released with the Public Accounts. This reporting is separate from any other performance reporting requirements, such as the service plan reports required of each minister under the *Budget Transparency and Accountability Act*.

The BBMAA requires a holdback of 20 per cent of ministerial salaries until release of the Public Accounts for that fiscal year. Half of the holdback is related to collective responsibilities for meeting the total summary accounts surplus/deficit target in which all ministers participate and half is related to individual ministerial responsibilities for meeting expense, revenue or other non–financial targets. The government as a whole must meet its provincial budget target in order for ministers to be entitled to receive the ten per cent collective holdback. Ministers earn the other ten per cent by meeting their ministry budget or non–financial targets which is their individual responsibility. Where requirements are met, the holdback for ministers responsible for operating expense and for the Minister of Small Business and Revenue is payable the day after the Public Accounts are released. The holdback for Ministers of State is payable after the publication of results in the related final service plan reports.

Collective Responsibilities

The collective holdback under Section 4 of the BBMAA is based on the surplus or deficit of the government summary reporting entity as published in the Summary Financial Statements, using the accounting policies applied in preparation of the Estimates as published in the preceding year and as amended by specific statutes. The rules as of fiscal 2007/08 may be summarized as follows:

- If a summary surplus is forecast and the actual surplus is at least 50 per cent of the estimate, the collective holdback is repayable.
- If neither a summary deficit nor surplus is forecast and there is no deficit, the collective holdback is repayable.

Individual Responsibilities

The individual holdbacks under Section 5 of the BBMAA are based on:

- Ministry spending for ministers with operating expense responsibilities, except for the Minister of Small Business and Revenue.
- Revenue results as specified by regulation for the Minister of Small Business and Revenue.
- Specified expected results for members of the Executive Council without operating expense responsibilities.

Ministerial Accountability for the Fiscal Year Ended March 31, 2008—Continued

The BBMAA requires that the following information be reported:

- Schedule I of the Estimates discloses the individual ministerial financial targets for the fiscal year. If during the fiscal year a government reorganization takes place, as described in Section 1 of the legislation, a revised Schedule I must be published that discloses the revised operating expenses that are the responsibility of each minister.
- The operating expense targets for 2007/08 are the amounts stated in the revised Schedule I.
- A comparison of actual results and the estimated amounts published in the revised Schedule I for the fiscal year ending March 31, 2008, which includes amendments by the *Ministerial Accountability Bases Act, 2007–2008*; the *Wildfire Act*; the *Emergency Program Act*; and the *Musqueam Reconciliation, Settlement and Benefits Agreement Implementation Act* for ministers with responsibility for operating expenses under each of the applicable sections of the BBMAA.
    - Where responsibilities were shared or changed during the year, actual spending is shown against the responsible ministers. Ministry and program expense are measured for the full fiscal year against the stated amount in the revised Schedule I.
    - Changes and shared responsibilities are measured in monthly proportions of this annual result and are included in the applicable minister's targeted and actual result amounts for the period of time they held the responsibility. Note that Contingencies (All Ministries) and New Programs are the responsibility of the Minister of Finance.
- Actual results for the Minister of Small Business and Revenue and for ministers without responsibility for operating expenses are taken from the 2008 ministry service plan reports or interim reports and are compared against the expected results listed in B.C. Regulations 25/2007 and 26/2007.
- The Ministerial Salary Holdback Repayment Results schedule discloses amounts for all ministers held accountable under the BBMAA.

Ministerial Accountability Report Summary of Schedules

Comparison of Expected Results to Actual Results—this statement discloses the results of comparing actual operating expenses of the government as a whole, and individual ministries, against the financial targeted operating expenses.

This statement shows for each minister (other than the Minister of Small Business and Revenue) with responsibility for operating expenses accounted for in the Consolidated Revenue Fund, an estimated amount that must be made public with the Estimates under Section 6(1) of the *Balanced Budget and Ministerial Accountability Act* (BBMAA). This estimated amount is described in Section 5(1) of the BBMAA and represents the targeted operating expenses that are the responsibility of the minister as set out in the main Estimates for the Fiscal Year Ending March 31, 2008, which includes any adjustments to reflect enacted legislation.

During the fiscal year, if a government reorganization takes place as described in Section 1 of the BBMAA a revised Schedule I must be published that sets out the targeted operating expenses that are the responsibility of the minister.

The statement also discloses the actual amount of operating expenses for each minister as required under Section 6(2) of the BBMAA and communicates whether or not the collective and individual responsibility targets have been successfully achieved.

Comparison of Revenue Generation and Non–financial Targets to Results Achieved—this statement has been prepared in order to communicate the revenue generating or non–financial targets established through regulation and the results achieved by the responsible ministers. In addition to the financial accountability reporting under the BBMAA, non–financial results are also required. Results are taken from the annual public service plan reports of each Minister of State.

Ministerial Salary Holdback Repayment Results—this statement discloses the amounts of the salary holdbacks of the responsible ministers for both collective and individual results. These holdbacks are repayable based on the results achieved as communicated through this Ministerial Accountability Report.

Comparison of Expected Results to Actual Results for the Fiscal Year Ended March 31, 2008

Collective Responsibilities Results

	In Thousands			
Summary Financial Statements Surplus (Deficit)	Estimates Expected Results $	Actual Results $	Variance $	Actual Surplus Within Target
Provincial Budget Target per Estimates March 31, 2008 and actual results shown in Public Accounts' Statement of Operations	400,000	2,885,891	2,485,891	
Summary Surplus (Deficit) for *Balanced Budget and Ministerial Accountability Act* purposes	**400,000**	**2,885,891**	**2,485,891**	**Yes**

Individual Responsibilities Results for Members of the Executive Council with Operating Expense Responsibilities

	In Thousands			
	Expected Results[1,2] $	Actual Results $	Variance $	Actual Spending Within Targets
Premier	13,771	13,016	(755)	Yes
Minister of Aboriginal Relations and Reconciliation	55,160	54,427	(733)	Yes
Minister of Advanced Education and Minister responsible for Research and Technology	2,223,076	2,221,079	(1,997)	Yes
Minister of Agriculture and Lands	270,295	229,614	(40,681)	Yes
Attorney General and Minister responsible for Multiculturalism	524,043	491,793	(32,250)	Yes
Minister of Children and Family Development	1,866,644	1,864,646	(1,998)	Yes
Minister of Community Services and Minister responsible for Seniors' and Women's Issues	273,808	259,563	(14,245)	Yes
Minister of Economic Development and Minister responsible for the Asia–Pacific Initiative and the Olympics	266,242	262,820	(3,422)	Yes
Minister of Education and Minister responsible for Early Learning and Literacy	5,494,380	5,492,132	(2,248)	Yes
Minister of Employment and Income Assistance	1,479,528	1,471,476	(8,052)	Yes
Minister of Energy, Mines and Petroleum Resources	77,459	58,878	(18,581)	Yes
Minister of Environment and Minister responsible for Water Stewardship and Sustainable Communities	475,925	474,495	(1,430)	Yes
Minister of Finance	1,614,790	1,238,727	(376,063)	Yes
Minister of Forests and Range and Minister responsible for Housing	941,817	927,900	(13,917)	Yes
Minister of Health	13,009,920	12,957,278	(52,642)	Yes
Minister of Labour and Citizens' Services	97,507	87,319	(10,188)	Yes
Minister of Public Safety and Solicitor General	668,419	667,570	(849)	Yes
Minister of Tourism, Sport and the Arts	207,548	185,071	(22,477)	Yes
Minister of Transportation	881,847	881,287	(560)	Yes
Total Individual Responsibilities Results	**30,442,179**	**29,839,091**	**(603,088)**	

Comparison of Expected Results to Actual Results for the Fiscal Year Ended March 31, 2008—Continued

Reconciliation of Summary Accounts Surplus to Stated Estimates Amount

In Thousands

	Expected Results[1,2]	Actual Results	Variance
	$	$	$
Consolidated Revenue Fund Revenue	30,759,000	32,051,550	1,292,550
Less: Total Expenses from Individual Responsibilities Results	(30,442,179)	(29,839,091)	603,088
Less: Estimates not included under the *Balanced Budget and Ministerial Accountability Act*:			
Legislation	(58,072)	(53,918)	4,154
Officers of the Legislature	(33,979)	(32,467)	1,512
BC Timber Sales	(184,200)	(307,319)	(123,119)
Minister of Small Business and Revenue	(59,964)	(59,258)	706
Total Consolidated Revenue Fund Estimated Surplus (Deficit)	(19,394)	1,759,497	1,778,891
Plus: Taxpayer–supported Crown corporations and agencies earnings (loss)	(2,337,000)	(1,847,888)	489,112
Plus: Self–supported Crown corporations and agencies earnings (loss)	2,503,000	2,974,282	471,282
Less: Forecast allowance	(750,000)		750,000
Adjusted Summary Accounts Estimated Surplus (Deficit)	(603,394)	2,885,891	3,489,285
Plus: Supplementary Estimates and Statutory Exemptions not included in Summary Surplus target	1,003,394		(1,003,394)
Actual Result shown in Public Accounts' Statement of Operations	**400,000**	**2,885,891**	**2,485,891**

[1] The Ministry of Finance is accountable under the BBMAA for budgeted contingency amounts and their spending; therefore, both the contingency allocations and the related expense have been moved to the Minister of Finance. Details of the application of contingency amounts to ministries are available from the Consolidated Revenue Fund Supplementary Schedules and the Ministerial Appropriations schedules published on the Ministry of Finance website at www.fin.gov.bc.ca.

[2] Expected Results are as disclosed in the Revised Schedule 1 which includes adjustments to reflect the *Ministerial Accountability Bases Act, 2007–2008*, the *Wildfire Act*, and the *Emergency Program Act*. The amounts disclosed in the Revised Schedule 1 have been adjusted to include actual amounts of spending under the *Wildfire Act* and under the *Emergency Program Act*.

Comparison of Revenue Generation and Non–financial Targets to Results Achieved for the Minister of Small Business and Revenue and for Members of the Executive Council Without Responsibility for Operating Expenses for the Fiscal Year Ended March 31, 2008

Expected Results	Results Achieved
Minister of Small Business and Revenue	
(a) The sources of actual revenue for the 2007/2008 fiscal year are specified as audit and revenue compliance related activities in respect of taxes, resource royalties and other revenues payable under enactments administered by the member of the Executive Council responsible for operating expenses of the Ministry of Small Business and Revenue, and	
(b) the amount of actual revenue in the 2007/2008 fiscal year from the revenue sources referred to in paragraph (a) is specified as $215.5 million.	Yes
Minister of State for ActNow BC	
(a) Ensure that the implementation of the ActNow BC action plan is underway and is having a positive effect on the public, particularly children and seniors.	Yes
(b) Ensure that all ministries that have the potential to contribute to ActNow BC are contributing to its success.	Yes
(c) Ensure that local government, community groups, schools and other organizations have clear roles and are fully involved in the implementation of the action plan.	Yes
(d) Ensure that funding is aligned with key actions and outcomes.	Yes
(e) Provide a report to Cabinet	
(i) on the implementation of the action plan and outcomes, and	
(ii) outlining how, by the end of 2008, ActNow BC will be a clearly recognizable, positive initiative to the general public demonstrating noticeable achievements in public participation and awareness.	Yes
Minister of State for Childcare	
(a) Develop and implement an action plan to maximize the benefits of federal contributions for childcare and prepare a strategy for transition to an appropriate level of provincial funding.	Yes
(b) Collaborate with the Ministers of Advanced Education, Health and Education to explore the potential for a pilot program for parents of children with autism.	Yes
(c) Report on the results referred to in paragraphs (a) and (b) to the Government Caucus Committee on Social Development.	Yes

Comparison of Revenue Generation and Non–financial Targets to Results Achieved for the Minister of Small Business and Revenue and for Members of the Executive Council Without Responsibility for Operating Expenses for the Fiscal Year Ended March 31, 2008—Continued

Expected Results	Results Achieved
Minister of State for Intergovernmental Relations	
(a) Promote an equitable distribution of federal spending and benefits for British Columbia by working with ministers to present proposals to the Government of Canada for policy changes and federal funding under existing or new national programs in the following areas:	
(i) closing the socio–economic gaps between Aboriginal people and other Canadians;	
(ii) Pacific Gateway investments;	
(iii) ways to address the social, economic and environmental consequences of the Mountain Pine Beetle epidemic;	
(iv) National Human Resource Strategy.	Yes
(b) Develop and present to Cabinet proposals for additional cooperation	
(i) between the government and the State of Washington under the Memorandum of Cooperation,	
(ii) between the government and neighbouring states in the Pacific Northwest and on the North American Pacific Coast, and	
(iii) with the Province of Alberta under the Protocol of Cooperation.	Yes
(c) Continue to work with the Pacific Northwest Economic Region to ensure that the movement of people and goods between Canada and the United States for lawful purposes continues without disruption.	Yes
(d) Work with ministers to maximize the benefits of our proximity and cultural ties with the growing Asia–Pacific market.	Yes
(e) Provide a report to Cabinet on the results referred to in paragraphs (a), (c) and (d).	Yes
(f) Provide a report to Cabinet that identifies how British Columbia can market and celebrate the rich culture and heritage of our French–speaking community.	Yes
Minister of State for Mining	
(a) Develop and implement an Asia–Pacific Mining Initiative to encourage Asia–Pacific based companies to	
(i) invest in exploration and mining projects in British Columbia, and	
(ii) do business with the mining services sector in British Columbia.	Yes
(b) Improve global competitiveness and investment in mineral exploration and mining in British Columbia by streamlining regulations and reducing regulatory overlap between various levels of government.	Yes
(c) Increase education, training and skills development to address skills shortages in mineral exploration and mining.	Yes
(d) Improve community and First Nations awareness of the economic opportunities and social benefits of sustainable mineral exploration and mining.	Yes
(e) Report on the results referred to in paragraphs (a) to (d) to the Government Caucus Committee on Natural Resources and the Economy.	Yes

Ministerial Salary Holdback Repayment Results for the Fiscal Year Ended March 31, 2008

	Collective Fiscal Holdback Repayable	Annual Report Holdback Repayable	Total Holdback Repayable[1]
Minister of Small Business and Revenue	$	$	$
Minister of Small Business and Revenue and Minister responsible for Deregulation	4,900	4,900	9,800
Members of the Executive Council without Operating Expense Responsibilities			
Minister of State for ActNow BC	3,430	3,430	6,860
Minister of State for Childcare	3,430	3,430	6,860
Minister of State for Intergovernmental Relations	3,430	3,430	6,860
Minister of State for Mining	3,430	3,430	6,860

	Collective Fiscal Holdback Repayable	Annual Report Holdback Repayable	Total Holdback Repayable[1]
Members of the Executive Council with Operating Expense Responsibilities	$	$	$
Premier	8,820	8,820	17,640
Minister of Aboriginal Relations and Reconciliation	4,900	4,900	9,800
Minister of Advanced Education and Minister responsible for Research and Technology	4,900	4,900	9,800
Minister of Agriculture and Lands	4,900	4,900	9,800
Attorney General and Minister responsible for Multiculturalism	4,900	4,900	9,800
Minister of Children and Family Development	4,900	4,900	9,800
Minister of Community Services and Minister responsible for Seniors' and Women's Issues	4,900	4,900	9,800
Minister of Economic Development and Minister responsible for the Asia–Pacific Initiative and the Olympics	4,900	4,900	9,800
Minister of Education and Minister responsible for Early Learning and Literacy	4,900	4,900	9,800
Minister of Employment and Income Assistance	4,900	4,900	9,800
Minister of Energy, Mines and Petroleum Resources	4,900	4,900	9,800
Minister of Environment and Minister responsible for Water Stewardship and Sustainable Communities	4,900	4,900	9,800
Minister of Finance	4,900	4,900	9,800
Minister of Forests and Range and Minister responsible for Housing	4,900	4,900	9,800
Minister of Health	4,900	4,900	9,800
Minister of Labour and Citizens' Services	4,900	4,900	9,800
Minister of Public Safety and Solicitor General	4,900	4,900	9,800
Minister of Tourism, Sport and the Arts	4,900	4,900	9,800
Minister of Transportation	4,900	4,900	9,800

[1] Holdback amounts are reported on the accrual basis. Ministers may be in a position less than a year; therefore, holdback amounts may vary.

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